GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4554
ANSWERED ON:12.08.2016
Krishi Kalayan Cess
Reddy Shri Konda Vishweshwar

Will the Minister of FINANCE be pleased to state:

(a) the difference between Krishi Kalyan Cess and Krishi Kalyan Surcharge, if any;

(b) the aims and objectives behind improving these cess and surcharges;

(c) the total amount received under each of them during each of the last three years and the current year; and

(d) the status of utilisation of them during the said period?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): While Krishi Kalyan Cess has been imposed on provision of all taxable services at the rate of 0.5% on value of taxable services w.e.f 1st June, 2016, a surcharge called the Krishi Kalyan Cess has been imposed at the rate of 25% of the tax chargeable on the income declared under the Income Declaration Scheme, 2016.

(b): Krishi Kalyan Cess has been imposed on provision of all taxable services for the purposes of financing and promoting initiatives to improve agriculture or for any other purpose relating thereto. A surcharge called Krishi Kalyan Cess, has been imposed so as to fulfil the commitment of the Central Government for the welfare of the farmers.

(c): The total amount of Krishi Kalyan Cess imposed on provision of all taxable services, collected for the months of June and July is Rs. 1,430 crore (provisional). The Income Declaration Scheme, 2016 has commenced from 01.06.2016 and is open for declarations upto 30.09.2016. Payment of tax, surcharge and penalty under the Scheme is to be made by 30.09.2017. Hence the amount received under the scheme, including the surcharge (Krishi Kalyan Cess), shall be firmed-up after 30.09.2017.

(d): A public account has been created under the name of 'Krishi Kalyan Kosh' under the administrative control of Department of Agriculture, Cooperation and Farmers Welfare. In the 1st Batch of Supplementary Demands of Grants − 2016-17, an amount of Rs 700 crore of Krishi Kalyan Cess on taxable services has been proposed to be transferred to Krishi Kalyan Kosh for utilization as under:

Sl. No. Name of the Scheme Amount in Rs Crore
1. Pradhan Mantri Fasal Bima Yojna 500.00
2. Construction of Rural Godowns under Integrated Scheme of Agricultural Marketing 200.00
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